

American Recovery and Reinvestment Act of 2009

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Education Funding Overview

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Joint Finance-Appropriations Committee
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Education Funding is Found Within Six Titles of the Act

■ **Division A**

- **Title I** Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
- **Title II** Commerce, Justice, Science and Related Agencies
- **Title IV** Energy and Water Development
- **Title VIII** Labor, Health and Human Services, and Education, and Related Agencies
- **Title XIV** State Fiscal Stabilization Fund

■ **Division B**

- **Title I** Tax, Unemployment, Health, State Fiscal Relief, and Other Provisions

Education Funding is Found Within Six Titles of the Act

| Division A – Appropriations Provisions | Nationwide | Idaho's Known Allocation |
|---|-------------------------|--------------------------|
| Title I, II, IV | \$6.99 Billion | \$469,000 |
| Title VIII | \$44.64 Billion* | \$110,872,000 |
| Title XIV | \$53.60 Billion | \$246,577,000** |
| Division B – Tax Provisions | | |
| Tax Credit for Tuition | N/A | N/A |
| Tax Credit Bonds for School Construction | \$22.00 Billion | N/A |
| Total | \$127.23 Billion | \$357,918,000 |

*Does not include Head Start, Early Head Start, or Childcare Block Grant Funding administered through Health and Human Services.

** A portion of this money could be used for non-education purposes. To determine a total amount, it is assumed that all funds are for education.

Sources: Federal Funds Information for States (2-23-2009), U.S. Dept. of Education, and the Congressional Budget Office.

Titles I, II & IV

- Department of Agriculture
 - \$100M Food and Nutrition Service Child Nutrition Programs
 - Idaho's Allocation is \$469K
- Department of Commerce
 - Approximately \$400M Research & Grants
- Science
 - Approximately \$3.52B Research & Grants
- Department of Energy
 - Approximately \$2.97B Research & Grants

Title I

Provisions Affecting Elementary and Secondary Education

Food and Nutrition Service Child Nutrition Programs

Department of
Agriculture

\$100,000,000 for states to provide competitive grants to school food authorities based upon the need for equipment assistance with priority given to schools in which not less than 50% percent of the students are eligible for free or reduced lunches.

Idaho's allocation is \$469,000

Title II

Potential Funding for Higher Education

| Department of Commerce Research & Science | |
|--|--|
| National Institute of Standards and Technology | \$220M for research, competitive grants, additional research equipment and supplies; and \$180M for the competitive grant program for research science buildings. |

Title II

Potential Funding for Higher Education

| Science Research & Science (cont.) | |
|---|--|
| NASA | \$400M for climate change research; and \$125M for aeronautics research and development |
| National Science Foundation | \$2.5B for research on social, economic and environmental issues; \$300M for the major research instrumentation program; and \$200M for academic facilities modernization. |

Title IV

Provisions Affecting Higher Education

| Department of Energy Research & Science | |
|--|--|
| Energy Programs | <p>\$1B for fossil energy research and development programs;</p> <p>\$1.5B for a competitive grant program for industrial carbon capture and energy efficiency projects;</p> <p>\$50M for a competitive grant on site characterization activities in geologic formations;</p> <p>\$20M for geologic sequestration training and research;</p> <p>\$400 million to fund research that will reduce imports of energy from foreign countries and improve energy efficiency across all economic sectors</p> |

Title VIII

Labor, Health and Human Services, and Education, and Related Agencies

- Department of Labor
 - \$2.95B Training & Employment Services
 - Idaho's Allocation is \$4.2M
- Department of Health & Human Services
 - \$200M Health Professions Training Programs
 - \$1.1B Research & Grants
- Department of Education
 - \$44.64B Nationwide
 - Idaho's Allocation is \$110,872,000

Title VIII, Education Allocations Administered at the Federal Level

- \$250,000,000 to the Institute of Education Sciences for statewide data systems
- \$17.1B for postsecondary Pell Grants
- \$100,000,000 for teacher quality enhancement
- \$100,000,000 Impact Aid for federal lands
- \$200,000,000 Fund for Improvement of Education competitive grants

Title VIII

Key Provisions for Higher Education

| Department of Labor | |
|---------------------|---|
| Job Training | \$2.95B: local workforce investment boards may contract with institutions of higher education and other eligible training providers to provide training |

Title VIII

Potential Funding for Higher Education

| Department of Health & Human Services | |
|--|---|
| Health Resources & Services Administration | \$200M for health professions training programs, and grants for training program equipment |

Title VIII

Potential Funding for Higher Education

| Department of Health & Human Services Research & Science | |
|---|---|
| National Institutes of Health | \$1B for construction & renovation of university research facilities; \$300M for research equipment; and \$8.2B for scientific research |
| Agency for Healthcare Research & Quality | \$1.1B to be used to conduct or support research to evaluate and compare the clinical outcomes, effectiveness, risk, and benefits of two or more medical treatments and services that address a particular medical condition. |

Title VIII

Key Provisions for Higher Education

| Department of Education Student Aid | |
|--|--|
| Pell Grant | Increase maximum to \$5,350 in 2009 and to \$5,550 in 2010 |
| Federal Work Study | Increased by \$200M (\$543,447 for Idaho) |

Title VIII, Education Idaho's Direct Allocations

| | |
|---|----------------------|
| IDEA Part C, Infants/Toddlers | \$2,360,000 |
| IDEA Part B, Pre-School | \$2,269,000 |
| IDEA Part B, K-12 | \$53,247,000 |
| ESEA Title I-A Grants and School Improvement Grants | \$45,510,000 |
| ESEA Part D, Education Technology Grants | \$3,209,000 |
| Education for Homeless Children and Youths | \$191,000 |
| Voc. Rehab., Independent Living, Work Study | \$4,086,000 |
| Total | \$110,872,000 |

Title XIV

State Fiscal Stabilization Fund

- U.S. Department of Education
 - \$53.60 billion Nationwide
 - After set-asides of \$5 billion for additional grants and \$14 million for administration:
 - Idaho's allocation is **\$246,577,000**

Title XIV Requirements

\$246,577,000

81.8%

18.2%

\$201,700,000

for the support of
elementary, secondary,
and post-secondary
education

\$44,877,000

for public safety and
governmental services,
which may include
assistance for elem., sec.,
and higher education, and
for facilities modernization

Title XIV Requirements

Step One

- Use the \$201,700,000, allocation to:
 - Through the public school funding formula, restore State support for FY 2009, FY 2010, and FY 2011 to the greater of FY 2008 or FY 2009
- AND**
- Restore State support to institutions of higher education in FY 2009, FY 2010, and FY 2011 to the greater of FY 2008 or FY 2009

Title XIV Requirements

Step Two

- Governor makes determination of whether the allocation is sufficient to restore funding for public schools and higher education in FY 2009, FY 2010, and FY 2011
 - If yes, then restore funds
 - If no, then allocate funds between public schools and higher education in proportion to their shortfall of state support

Title XIV Requirements LSO Scenario

Step Three

- Allocate funds between public schools and higher education in proportion to their shortfall of state support

- Used FY 2009 to calculate shortfall proportion
 - FY 2009 6% holdback is \$103,289,400
 - Public School's portion is \$85.1M, or 82.39%
 - Higher Education's portion is \$18.2M, or 17.61%

Title XIV Requirements LSO Scenario

Step Three (cont.)

- Idaho's Education Allocation **\$201,700,000**

82.39%



17.61%

\$166,175,700

Elementary and
secondary based on
proportional shortfall

\$35,524,300

Post-secondary Education

Title XIV Requirements

Step Four

- Any monies available after restoring funding to public schools and higher education shall be used by the Governor to provide subgrants to local education agencies

Title XIV Requirements

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Title XIV

Application Requirements

To receive funding under Title XIV the Governor must submit an application that includes:

1. Assurances outlined in the Act
2. Provide baseline data on the assurances
3. Describe how the state intends to use its Title XIV allocation

Title XIV

Funding Requirements

Assurances

1. Idaho's state support for elem., sec. and higher education does not drop below FY 2006 levels
2. Take actions to improve teacher effectiveness and comply with Section 1111(b)(8)(C) of the ESEA
3. Establish a longitudinal data system that includes specific elements of the America COMPETES Act
4. Enhance and improve academic standards and assessments through compliance with specific federal laws including the America COMPETES Act
5. Support struggling schools through compliance with the ESEA

Title XIV

Uses of Funds – Higher Education

- Public higher education institutions shall use the funds for education and general expenditures
 - so as to mitigate the need to raise tuition and fees for in-state students
 - for modernization, renovation or repair of facilities primarily used for instruction, research or student housing
- Funds may not be used
 - to increase endowments
 - for maintenance of systems, equipment or facilities
 - modernize, renovate or repair facilities used primarily for athletics or events for which admission is charged to the general public, or facilities used for religious purposes.

Tuition Tax Credit is Found in Division B of the Act

Division B – Tax, Unemployment, Health, State Fiscal Relief, and Other Provisions

Title I – Tax Provisions,
Subtitle A, Part I –
General Tax Relief
American Opportunity
Tax Credit

For 2009 and 2010, provides a tax credit of up to \$2,500 of the cost of tuition and related expenses paid during the taxable year.

School Construction Financing is Found in Division B of the Act

Division B – Tax, Unemployment, Health, State Fiscal Relief, and Other Provisions

| | | |
|---|---|--|
| Title I – Tax Provisions, Subtitle F, Part III – Tax Credit Bonds for Schools | \$22 billion (\$11 billion each of calendar years 2009 and 2010) | Each state's allocation will be in proportion to state funding received under Section 1124 the ESEA including 40% to large local education agencies (LEAs) |
|---|---|--|

ARRA of 2009 Education Recap

| Title | What it does | \$ | Availability | Requirements |
|-------------------|--|-----------|--|---|
| Titles I, II & IV | Increases funding for higher ed research and school lunch equipment grants | \$6.99B | In some cases, an agency spending plan is due within 60 days of enactment. | No additional requirements stated in the Act |
| Title VIII | Increases funding to existing federal education programs | \$44.6B | Immediately through 9/30/2010. Goal is 50% in 40 days; 50% within six mos. | No additional requirements stated in the Act |
| Title XVI | Provides funding for stabilization of elem., sec., and higher ed. budgets and provides funds for other gov. uses | \$53.6B | Immediately through 9/30/2010. Goal is 50% in 40 days; 50% within six mos. | Application from Gov. with assurances including maintenance of effort |

U.S. Dept. of Education Requirement

- According to the Secretary:
 - “Our goal is to get half of the money to the states within 40 days and the second half within six months, conditioned upon receipt of a comprehensive reform plan.”

Source: <http://www.ed.gov/policy/gen/leg/recovery/factsheet/overview.html>

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